



First Steps Cost Participation Procedures

ADMINISTERING ENTITY

The Division of Disability and Rehabilitative Services (Agency) will:
Implement the following procedures, known as the First Steps Early Intervention System Cost Participation Plan, in accordance with Indiana Code 12-12.7-2-17 and Part C of the IDEA.

All cost participation funds received will be used to fund Indiana's statewide coordinated, comprehensive Part C Early Intervention System for all infants and toddlers with disabilities and their families as required under 20 U.S.C. 1431 through 1445.

INTAKE COORDINATOR RESPONSIBILITIES

The intake coordinator will:

- Explain family rights and responsibilities within the First Steps system, including the responsibility for timely payment of co-payments and the right to request a review of their cost participation obligation after a reduction in income
- Collect income, family size, private insurance, and medical or personal care needs expense information from the family
- Complete the Combined Enrollment Form, Private Medical Insurance Supplement, Private Medical Insurance Consent Form, and Financial Deduction Worksheet
- Review with the family First Steps cost participation policies and procedures, insurance billing, and the Cost Participation Sliding Fee Schedule (Attachment A)
- Verify the family's per service and maximum monthly cost participation fees as calculated by the System Point of Entry (SPOE)
- Inform the family of the responsibility to make monthly payments without regard for potential insurance billing or collection
- Obtain the family's signature(s) acknowledging responsibility for their co-pay obligations on Section 8 of the Individualized Family Service Plan (IFSP) and on the First Steps Cost Participation Co-payment Form ("Cost Participation Acceptance Forms")
- Inform the family of the Agency's ability to suspend services for accounts 60 or more days past due
- Maintain completed Combined Enrollment Form, cost participation forms, and all supporting documentation in the child's early intervention record located at the SPOE

SERVICE COORDINATOR RESPONSIBILITIES

The ongoing service coordinator will:

- Explain family rights and responsibilities within the First Steps system, including the responsibility for timely payment of co-payments and the right to request a review of their cost participation obligation after a reduction in income
- Verify, no less than annually, family size, family income, documentation of family medical and personal care needs expenses, and private insurance information
- Ask, no less than quarterly, if the family needs to report a reduction in income, an increase in family size, or an increase in medical or personal needs expenses for any family member
- Review, within 30 days of such a report, current family income, family size,

	<p>and medical or personal care expenses, complete appropriate cost participation forms, and submit all documentation to the SPOE within two (2) business days</p> <ul style="list-style-type: none"> • Follow-up with families, per Agency guidelines, regarding Notification of Pending Suspension of Services. Explain content, assist family to avoid suspension by explaining the consequences of non-payment, or coordinating a payment plan with the Agency if failure to pay is due to a verifiable reduction in the level of income the family has available to pay their co-pay obligation • Contact appropriate SPOE personnel to cancel authorizations when necessary due to failure to pay, or to negotiate a payment plan • Maintain documentation in the child's EI record of all communications and forms associated with updated cost participation activities
FAMILY RESPONSIBILITIES	<p>Families will:</p> <ul style="list-style-type: none"> • Provide accurate documentation of all required financial data and insurance information • Pay co-payments within thirty (30) days of the cost participation statement date, without regard for insurance billing or collection, as agreed to by signing the cost participation acceptance documents • Review all cost participation statements for accuracy, and report errors, if any, to the Agency • Promptly request a review of their cost participation obligation after an adverse change in employment, an increase in family size, or an increase in family medical or personal care needs expenses • Pay any amount 60 days or more past due, or be subject to suspension of services until that amount is paid in full or a payment plan is negotiated • Notify the SPOE or Service Coordinator when payment has been made to the CRO to reinstate services
SYSTEM POINT OF ENTRY (SPOE) RESPONSIBILITIES	<p>The System Point of Entry (SPOE) will:</p> <ul style="list-style-type: none"> • Data enter all financial and insurance information for the purpose of cost participation and access to insurance • Document the family's per session and maximum monthly co-payments as calculated by the SPOE computer • Provide the intake and/or service coordinator with computer-generated verification of the family's per session and maximum monthly co-payments within five (5) business days of receipt of completed cost participation forms • Receive Notifications of Pending Suspension of Services, and transmit to the family's service coordinator • Terminate and reinstate services as appropriate • Maintain all completed forms, with supporting documentation of income, insurance, and medical and personal care expenses, in the child's early intervention record
CENTRAL REIMBURSEMENT OFFICE (CRO) RESPONSIBILITIES	<p>The Central Reimbursement Office (CRO) will:</p> <ul style="list-style-type: none"> • Calculate each family's monthly co-payment obligation, based on services for which their providers bill • Calculate and track all family co-payments received and due • Submit monthly eligible First Steps claims to private insurance carriers • Reconcile monthly TPL recoveries received, if any, against family cost participation accounts • Mail families a combined monthly Explanation of Benefits and Cost Participation statement showing: <ul style="list-style-type: none"> * the services for which their providers have billed, * cost participation fees waived for any past services for which insurance was recovered during that month, * the recalculated family cost participation amount due for that month * an aging report of the family's current amount due, as well as any amounts past due, * a warning of the consequences of falling sixty (60) days or more past due,

	<p>* information on requesting a review of co-pay obligation following an adverse change in employment, an increase in family size, or an increase in medical or personal care needs expenses</p> <ul style="list-style-type: none"> • Remit to families any credit balance due to them, either upon request or three (3) months after a child exits First Steps for any reason • Send families and SPOEs a written Notification of Pending Suspension of Services on all accounts sixty (60) days or more past due • Contact designated SPOE personnel if authorizations are to be cancelled as a result of suspension for non-payment or failure to negotiate a payment plan • Report to the Agency as required
ANNUAL GROSS INCOME DETERMINATION	<p>Families must provide the following verification of income:</p> <ul style="list-style-type: none"> • Check stubs from each resident parent's three (3) most recent consecutive pay periods • If recent pay stubs are not available, or in instances when income cannot be accurately assessed by the last three pay stubs (e.g., self-employment, seasonal employment, farm income, or supplemental income) the family must provide each parent's most recently filed 1040 Federal Income Tax form, W-2 form, or 1099 form. • If none of the above is available a written statement of salary, or of wages and hours worked, may be submitted if the statement would accurately account for the income (refer to Combined Enrollment Form instructions for further detail related to income). The statement must include company/employer name, address, phone number, and supervisor signature • All income information must be verified annually or within thirty (30) days after the family reports a reduction in income or change in family size. Income rules require consideration of the income of the dependent child, the dependent child's resident siblings and the dependent child's parents • Step-parent income is not included in the cost participation determination. Indiana law does not hold step-parents financially responsible for their step-children • Caretaker income, whether family or non-family, is not considered in the determination of the cost participation obligation • A child in foster care, or a child who does not live with a relative, is considered a family of one whose income is not to be considered for cost participation within the First Steps system. • Confirmation of level of income and percent of federal poverty level will be calculated at the family's local SPOE following data entry of the family's size, income, and documented medical and personal care needs expenses • Income verification must be maintained in the child's early intervention record
FAMILY SIZE CALCULATION	<p>Family size, along with family income, will be utilized when determining the family's percent of Federal Poverty Level and cost participation obligation.</p> <p>The size of the family group is established by counting the child receiving First Steps services, the child's parent(s) and all natural, adoptive, or half-siblings with whom the child resides. Step-parents and step-siblings residing in the same home are excluded from the family member count.</p> <p>A caretaker is a relative, either by blood or by law, who lives with the child and exercises parental responsibility (care and control) in the absence of the child's parent. Examples include, but are not limited to, grandparents, aunts, uncles, cousins, and stepparents. Caretakers are not counted in the family size calculation.</p> <p>A child in foster care, or a child who does not live with a relative, is considered a family of one for whom no cost participation will be assessed.</p>

CONFIRMATION OF INCOME LEVEL	<p>Confirmation of income level and percent of federal poverty level will be calculated at the SPOE by data entry of family size, family income, and documented medical and personal care needs expenditures.</p> <p>This calculation will be based on the annually published Federal Poverty Level Guidelines and the First Steps Cost Participation Sliding Fee Schedule (Attachment A).</p>
DETERMINATION OF FIRST STEPS CO-PAYMENT	<p>The SPOE computer will determine the family's First Steps co-payment. Families will accept financial responsibility by signing Section 8 of the IFSP, and the First Steps Cost Participation Co-payment Form.</p> <p>A family's cost participation obligation amount will remain in effect for twelve (12) months from the date of the IFSP, unless the family requests earlier review of financial information which results in a change in co-payment.</p> <p>The First Steps Cost Participation Sliding Fee Schedule (Attachment A) will be utilized in calculating the co-payment. The calculation takes into consideration:</p> <ul style="list-style-type: none"> * The family's annual gross income * The family's size * The family's documented medical and personal care needs expenses <p>Families at or below 250% of the federal poverty level (FPL) are exempt from cost participation fees and will not be charged for any early intervention services provided to the child and family, pursuant to the IFSP.</p> <p>Incomes at or above 251% of FPL will have a sliding cost participation obligation, as per Attachment A.</p> <p>Families who do not wish to disclose their financial information may choose the "full fee option." They will be charged the per-session and monthly maximum cost participation fees for families at 1001% of FPL, up to, but not exceeding, the actual cost of services provided in that month.</p> <p>Families may voluntarily contribute payments that exceed their required cost participation amount.</p> <p>The Agency may waive or reduce a required cost participation fee if other medical expenses or personal care needs expenses for a member of the family reduce the level of income the family has available to pay co-payments. While not required, every family is offered the option of reporting these expenses in every family co-payment calculation.</p> <p>The Agency must waive the family's monthly co-payment in any month for those services for which it receives payment from the family's health insurance coverage.</p> <p>Families who dispute the accuracy of a co-payment calculation may request that the Agency conduct an administrative review.</p>

MEDICAL AND PERSONAL CARE NEEDS EXPENSES	<p>Families may request consideration of medical and personal care needs expenses in the calculation of their family income and co-payments. Reported expenses are automatically included in every family co-payment calculation.</p> <p>Appropriate deductions are those that are:</p> <ul style="list-style-type: none"> • To support the health or medical needs of a family member who resides with the First Steps child • Out-of-pocket and not reimbursable • Incurred within the twelve (12) months immediately preceding the IFSP date • Supported by written receipts <p>A family may request a review of their income or co-payment at any time they experience an increase in medical or personal care needs expenses, or other extenuating circumstances.</p>
UTILIZATION OF INSURANCE	<p>Indiana law requires families to provide health care coverage information for the infant or toddler who is to receive services. Further, families must consent to allow First Steps to bill private insurance for the services received.</p> <p>If the family declines to consent to insurance billing, they may choose either the “full fee option,” or to access only those services that federal regulation (303 C.F.R. § 303.521) requires the Agency to provide at no cost to the family (see “Assessment of Co-payment,” below).</p> <p>Families may request a waiver from billing private health care insurance if the family is able to demonstrate that insurance billing would create a financial or personal hardship on the part of a family member.</p> <p>While First Steps may submit claims for eligible services, it cannot guarantee acceptance of the claim by, or payment from, the family’s carrier. Coverage is dependent on the insurance plan and will take into consideration variables such as service type, the child’s diagnosis, limits on the number of sessions covered in a year, and whether First Steps is considered to be an in-network provider. Therefore, it is relatively rare for insurance to cover First Steps services. Families should not base service decisions on the assumption that they will be able to avoid any part of their co-payment obligation due to insurance recovery.</p> <p>Regardless of the type of coverage, any assurances of coverage received from their carriers, difficulties First Steps may experience in submitting claims to their carriers, or lack of an EOB from their carrier showing First Steps’ attempt to bill, families are fully responsible for their co-pay obligations. Any accounts that are sixty (60) days past due will be subject to the suspension of co-pay eligible services until the past due amount is paid in full or payment arrangements are made.</p> <p>Pursuant to IC §§ 5-10-8-7.3, 20-12-3.2, and 27-8-27, reimbursements made by certain types of health care insurance plans shall not be applied to any annual or aggregate lifetime limitations of coverage. Those types are: State of Indiana group health coverages; state educational institution employee health plans; and non-ERISA plans, regulated by Title 27 of the Indiana Code.</p> <p>Employment Retirement Income Security Act (ERISA) health plans are not protected by the lifetime and aggregate limitations legislation. If a family is covered by an ERISA plan and demonstrates that billing would create a financial hardship (for instance, it would put the family in jeopardy of exceeding the plan’s lifetime cap) they may request a waiver within thirty (30) days of the date of service. Requests should be mailed to: First Steps, Medical Insurance Utilization Review, Attn: Part C Coordinator, 402 W. Washington St., W 364, MS51, Indianapolis, IN 46204.</p>

	<p>It is the responsibility of the family to determine, via their HR department or insurance carrier, the ERISA or non-ERISA nature of their insurance policy, and how consent to access insurance may affect them.</p> <p>If the family does not request a waiver, First Steps will assume insurance billing will not create a hardship.</p>
ASSESSMENT OF CO-PAYMENT	<p>Co-payments are based on IFSP services provided to the child and family. The family will be billed the lesser of the per-session co-payment amount, or the actual cost of service, up to their monthly maximum.</p> <ul style="list-style-type: none"> • Co-payments may not be charged, or services suspended, for the following services: <ol style="list-style-type: none"> 1. Child Find 2. Evaluation and Assessment 3. Development of an Individualized Family Service Plan 4. Service Coordination 5. Review of IFSP 6. Procedural Safeguards • Services eligible for co-payments and subject to suspension are: <ol style="list-style-type: none"> 1. Audiology Services 2. Developmental Therapy or Special Instruction 3. Health Services 4. Nursing Services 5. Nutrition Services 6. Occupational Therapy 7. Physical Therapy 8. Psychological Services 9. Social Work Services 10. Speech and Language Therapy 11. Vision Services 12. Other early intervention services • While First Steps excludes assistive technology and transportation from cost participation co-payments, they are subject to suspension. • For any individual service for which First Steps recovers insurance payment, the co-payment will be waived resulting in a recalculation of the monthly co-pay due.

BILLING PROCESS	<p>The CRO mails families a cost participation statement monthly. Statements include the co-payment owed, an aging report on past due amounts, if any, a detail of services the child has received, as well as provider billing and family payment information.</p> <p>All payments must be made directly to the CRO within thirty (30) days of the statement date. Due to the timeline for provider billing, the CRO must wait a minimum of 60 days in order to generate an accurate First Steps family statement. Therefore, families will not receive their first statement for at least 90 days after First Steps services begin. Statements will arrive monthly, thereafter. Timelines for payment are based on the date the statement is printed and mailed.</p> <p>Based on insurance billing trends, families should not expect insurance recoveries or denials sooner than 120 days after the date of the service. Co-payments are due upon receipt, without regard for insurance billing or collection.</p>
SUSPENSION OF SERVICES	<p>Families with balances sixty (60) days or more past due will be subject to suspension of co-pay eligible First Steps services. The CRO will send Notification of Pending Suspension of Service letters to affected families each month.</p> <p>If, within fourteen (14) calendar days, the family fails to pay the balance in full or make payment arrangements, co-pay eligible services will be suspended. Families can request services to resume once past due amounts are paid, or for so long as payment arrangements are honored.</p> <p>While families are responsible for requesting a review of any change in their financial situation that might lead to an inability to meet their co-pay obligation, every effort will be made to work with families with extenuating circumstances. Families should contact their Service Coordinator for assistance with such hardships at any time.</p>
TIMELINE FOR FAMILY CO-PAYMENTS	<ul style="list-style-type: none"> • Payments are due thirty (30) days after the date of the cost participation statement • Each month's family cost participation statement will include the total amount due. If the prior month's payment is received after generation of the current month's statement, receipt of the payment may not be reflected. Such instances will not be considered past due • Families with an account balance sixty (60) days or more past due will receive notice of the Agency's intent to suspend co-pay eligible First Steps services • Families have fourteen (14) calendar days from the date of the notice to bring their account current or make payment arrangements • Failure to pay or make arrangements within the fourteen (14) calendar days will result in suspension of all co-pay eligible services
	<p>Ability to pay – a family's financial capacity to pay for First Steps services</p> <p>Account Reconciliation- adjustment of a family's account by the CRO to reflect receipt of a payment from the family or an insurance carrier</p> <p>Administering Entity/Agency - the Division of Disability and Rehabilitative Services (DDRS) is the Agency responsible for the general administration and supervision of the First Steps Early Intervention System, including the Cost Participation Plan</p> <p>Administrative Review – requested in writing by a family; the Agency will review the financial circumstances involved in determining a family's ability to pay</p> <p>Annual Gross Income - a family's annual income minus any family medical and/or personal care needs expenses</p> <p>Arrearage - the total amount of co-pay that is thirty (30) days or more past due</p> <p>Caretaker Relative - a relative, either by blood or by law, who lives with the child and exercises parental responsibility (care and control) in the absence of the child's parent (grandparents, aunts, uncles, cousins, step-parents, and adult siblings)</p> <p>Central Reimbursement Office - the entity responsible for billing and collecting the First Steps co-payments from participating families</p>

	<p>Co-payment amount/cost participation obligation - a fee, based on a family's gross income and family size, less deductions for non-reimbursable, Agency-approved medical and personal care needs expenses for any family member; the monthly and per-session dollar amounts for which a family is responsible</p> <p>Cost Participation Plan – a system of fees for early intervention services based on income and family size</p> <p>Extenuating Circumstances – healthcare-related situations or circumstances that are unusual or out of the ordinary, for which a family may be given special consideration by the Agency</p> <p>Failure to Pay - a family does not pay the co-payment they accepted</p> <p>“Full Fee Option” – a provision allowing families who do not wish to disclose their financial information to pay the maximum per-session and monthly cost participation fee for families at 1001% of Federal Poverty Level, up to, but not exceeding, the actual cost of service provided in that month</p> <p>Income Chart - the First Steps Cost Participation Sliding Fee Schedule (Attachment A) used to determine a family's percent of poverty level and cost participation obligation</p> <p>Maximum Monthly Cost Share Amount - the maximum amount of co-pay a family may be billed for services in a one (1) month period</p> <p>Medical Expenses – non-reimbursable, out-of-pocket medical expenses incurred by a resident family member during the twelve (12) months immediately preceding the IFSP date</p> <p>Percent of Federal Poverty Level – published annually by the US Department of Health and Human Services; determined by a family's adjusted gross income and family size</p> <p>Personal Care Needs Expenses – non-reimbursable, out-of-pocket healthcare-related expenses incurred by a resident family member during the twelve (12) months immediately preceding the IFSP date</p> <p>Procedural Safeguards - legal protections available to children and their parents to protect their rights in dealing with agencies and providers of early intervention services. Legal protections include: parental consent, protection in evaluation procedures, opportunity for parents to examine, correct, and supplement records, prior notice provisions, surrogate parent identification when necessary, due process procedures and confidentiality of records</p> <p>Service – a therapy session authorized by First Steps and delivered by a First Steps provider</p> <p>Sixty Days Past Due - Any co-pay amount (as reflected in the cost participation statement sent by the CRO) that a family fails to pay within sixty (60) days of the payment due date</p> <p>Suspension of Services- Cessation of co-pay eligible First Steps services, due to failure to pay a past due balance of sixty (60) days or more</p> <p>Waiver – 1) Under IC 12-12.-2-17(b)(5), an exemption from private insurance billing granted by the Agency where a family has demonstrated that such billing will result in financial or personal hardship;</p> <p style="padding-left: 40px;">2) Under IC 12-12.7-2-17(b)(1)(C), the reduction or forgiveness of a required co-payment, granted by the Agency where other medical or personal care needs expenses reduce the level of income the family has available to pay First Steps co-payments.</p>
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ATTACHMENT A

FIRST STEPS COST PARTICIPATION SLIDING FEE SCHEDULE

Annual gross income, based on 2010 Federal Poverty Level (FPL) Guidelines, as adjusted in accordance with procedures governing the First Steps Early Intervention Cost Participation Plan								
Family Size	251% FPL	351% FPL	451% FPL	551% FPL	651% FPL	751% FPL	851% FPL	1001% FPL
1	\$27,183.30	\$38013.30	\$48843.30	\$59673.30	\$70503.30	\$81333.30	\$92163.30	\$108408.30
2	\$36570.70	\$51140.70	\$65710.70	\$80280.70	\$94850.70	\$109420.70	\$123990.70	\$145845.70
3	\$45958.10	\$64268.10	\$82578.10	\$100888.10	\$119198.10	\$137508.10	\$155818.10	\$183283.10
4	\$55345.50	\$77395.50	\$99445.50	\$121495.50	\$143545.50	\$165595.50	\$187645.50	\$220720.50
5	\$64732.90	\$90522.90	\$116312.90	\$142102.90	\$167892.90	\$193682.90	\$219472.90	\$258157.90
6	\$74120.30	\$103650.30	\$133180.30	\$162710.30	\$192240.30	\$221770.30	\$251300.30	\$295595.30
7	\$83507.70	\$116777.70	\$150047.70	\$183317.70	\$216587.70	\$249857.70	\$283127.70	\$333032.70
Fees								
Per service	\$3	\$6	\$15	\$25	\$50	\$75	\$100	\$120
Monthly max.	\$24	\$48	\$120	\$200	\$400	\$600	\$800	\$960